

Daily Market News



13th March 2017

DOMESTIC NEWS

The local unit shed some ground against the greenback to close weaker at the end of the week.

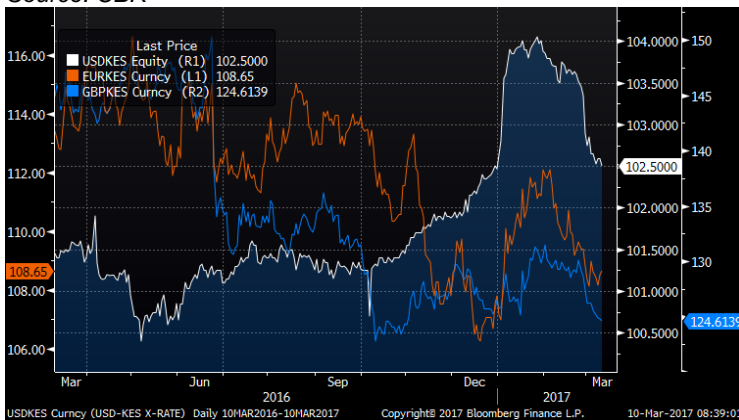
It was a largely dreary trading session on Friday characterized by the shilling trading within a confined range to the US dollar. However, some foreign currency demand crept in during the afternoon to take the shilling lower where it remained fortified by the greenback until close of business.

In the coming days, we expect some mild pressure on the shilling as activity is expected to heighten in the coming days in favor of the greenback.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	99.50
USD/KES	98.70	103.80	SELL	104.60
GBP/KES	120.50	126.10	3 Months	
EUR/KES	103.10	109.70	Buy	100.50
JPY/KES	86.30	93.80	SELL	106.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.292%	4.294%	+0.20
91-Day T-bill	8.628%	8.686%	+5.80
182-Day T-bill	10.529%	10.525%	-0.40
364-Day T-bill	10.895%	10.901%	+0.60
Inflation	6.99%	9.04%	+205.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The US Dollar lost its shine in the global markets despite a broadly strong US jobs report that showed U.S. employers hired workers at a robust pace in February, beating expectations, and wages grinded higher. The US Labor Department reported that nonfarm payrolls increased by 235,000 jobs exceeding the economists forecast of a 190,000 jobs increase in February. The unemployment rate fell to 4.7% percent, even as more people rushed into the labor market, encouraged by the hiring spree.

The Euro sparkled across board after a report revealed that the European Central Bank had discussed the possibility of raising interest rates before the end of its quantitative easing program.

Sterling skidded to an eight-week low against the euro on Friday, despite positive data domestically. British factory output grew strongly by 2.1%, its strongest showing since the three months to May 2010 but this did little to lift the pound.

The Yen weakened in Asia on Monday after core machinery orders came in weaker slumping to -8.2% year-on-year, further than the expected -3.3% dip.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	7.00%	0.50%	0.00%
1 month	7.00%	1.00%	0.00%
3 months	7.10%	1.25%	0.00%
6 months	7.15%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0200	1.1200
GBP	1.1700	1.2700
JPY	109.00	116.00
CHF	0.9500	1.0500